

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 113

Sacramento, CA

Minutes of Meeting

June 23, 2005

COMMISSIONERS PRESENT

Nancy E. McFadden, Chair
Diane M. Griffiths
Teresa P. Hughes
Vicki Marti
Lynn Schenk
Cathie Bennett Warner

CMAC STAFF PRESENT

J. Keith Berger, Executive Director
Enid Barnes
Theresa Bueno
Paul Cerles
Denise DeTrano
Holland Golec
Steve Soto
Michael Tagupa
Mervin Tamai
Karen Thalhammer

COMMISSIONER ABSENT

Marco Firebaugh

EX-OFFICIO MEMBERS PRESENT

Bob Sands, Department of Finance
Sunni Burns, Department of Health Services

I. Call to Order

The June 23, 2005 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Chair Nancy E. McFadden. A quorum was present.

II. Approval of Minutes

The June 9, 2005 meeting minutes were approved as prepared by CMAC staff.

III. Executive Director's Report

Mr. Berger reported that there were no new requests from hospitals or health plans to appear before the Commission in closed session at this time.

Mr. Berger informed the Commissioners that there were 37 amendments and new contracts for action during today's closed session as well as some updates and strategic discussions on current negotiations.

Mr. Berger asked Ms. Burns if she could give the Commission an update on the Hospital Financing Waiver.

Ms. Burns informed the Commission that the State has reached agreement with the federal government on the Hospital Financing Waiver. She said that on Wednesday, June 22, Health & Human Services (HHS) Agency Secretary Kimberly Belshé held a press conference announcing the new Hospital Financing Waiver. Ms. Burns provided the Commissioners with copies of the materials that were made available at the press conference.

Ms. Burns reported that the State requested from the Centers for Medicare and Medicaid Services (CMS) a one-month extension to the current Selective Provider Contracting Program (SPCP) waiver, and that CMS has granted the State the extension with the provision that DHS not make any supplemental payments during the extension period. She provided a copy of the extension request letter to the Commissioners as well.

Ms. Burns noted that the State was providing the hospital industry representatives with a draft of the proposed terms and conditions of this new waiver and would be meeting with them to work on the details of the waiver. A copy of the draft terms and conditions was shared with the Commissioners.

In response to the Commissioners' questions, Ms. Burns indicated that CMS has agreed on all of the key concepts of the Hospital Financing Waiver; however, the detailed terms and conditions are still being discussed and finalized.

The handouts Ms. Burns provided the Commissioners on the Hospital Financing Waiver will be available on CMAC's website through links to DHS and HHS web pages and upon request.

Mr. Berger added that DHS, HHS, and the Governor have been working with CMS to establish the parameters of the new Hospital Financing Waiver. The next step will be for the Legislature, the Administration, and relevant constituents to develop specific implementation requirements and processes.

Mr. Berger updated the Commission on several budget conference committee results, including adoption of language requesting that the Joint Legislative Audit Committee (JLAC) and the Legislative Analyst's Office review the effectiveness and the efficiency of the hospital contracting program, that DHS and CMAC report annually to the JLAC and Joint Legislative Budget Committee on funds provided to hospitals and health plans for the implementation of nurse-to-patient ratios, and that Commissioners' salaries will continue to be tied to Legislator salaries as no salary change was recommended.

Mr. Berger noted that CMAC staff has scheduled a joint presentation by representatives of the California Health Facilities Financing Authority and the Cal Mortgage Program for the August 11 Commission meeting. They will provide the Commission with an overview of the loan and bond programs available to hospitals.

Mr. Berger further noted that CMAC staff continues to work with DHS and CMS on scheduling a presentation on the new Medicare Drug Benefit and the impact on Medi-Cal Managed Care plans and on the Medi-Cal program in general.

IV. Medi-Cal Managed Care Activities

Mr. Cerles informed the Commission that during today's closed session the Commissioners will have before them for action Healthy San Diego amendments and new contracts for the Sacramento Geographic Managed Care (GMC) plans.

Mr. Cerles noted that CMAC is very pleased that all the Sacramento GMC plans have agreed to re-contract with the State through the end of 2006.

Mr. Berger informed the Commission that Sacramento GMC now has six plans with the addition of Care 1st earlier this year.

V. New Business/Public Comments/Adjournment

There being no further new business and no additional comments from the public, Chair Nancy McFadden recessed the open session. Chair McFadden opened the closed session, and after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Chair McFadden announced that the Commission had taken action on hospital and managed care contracts and amendments in closed session. The open session was then adjourned.